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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider  
Alternative-Fueled Vehicle Programs, Tariffs, and  
Policies.

Rulemaking 13-11-007  
(Filed November 14, 2013)

**CHARGEPOINT, INC. REPLY COMMENTS ON SB 350 TRANSPORTATION  
ELECTRIFICATION WORKSHOP AND APPLICATION GUIDANCE STRAW  
PROPOSAL**

May 31, 2016

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In accordance with the Amended Scoping Memo and Ruling of the Assigned Commissioner and Administrative Law Judge (“Ruling”) and the California Public Utilities Commission (“Commission”) Rules of Practice and Procedures, ChargePoint, Inc. (“ChargePoint”) submits its reply comments addressing comments and recommendations provided in response to the Workshop Questions identified in Appendix B of the Ruling.

Numerous parties responded to the ALJ’s request for comments on the draft straw proposal, focus area for SB 350 implementation, standards developments, pilots and opportunities to scale up, and considerations from the April 8 and April 29 workshops. Overall, there were many good additions suggested for the Straw Proposal, which should help to inform the approach for the next phases of utility applications. ChargePoint responds below to a few issues discussed in other parties’ comments.

**I. The interest of ratepayers must not be compromised to achieve speed or scale.**

Honda, GM, the Alliance of Automakers, Sierra Club, Earth Justice, NRDC, and the Center for Community Action, and the Coalition of California Utility Employees suggest that the Straw Proposal more explicitly state the “speed and scale” or “urgency and scale” needed to meet California’s ZEV goals. While it is clear that more EV charging infrastructure is needed to support any zero emission vehicle policy, it is unclear what metrics are being used to determine

that large utility programs are necessary in the immediate near term to meet these goals. The role of the automakers and other stakeholders to support EV sales and the numerous other factors that contribute to a drivers' decision to purchase an electric vehicle while outside of the scope of the Public Utilities Commission, should be considered when implementing these utility programs and effectively meeting California's ZEV goals.

In addition, there is no data or evidence currently available that the utility programs will enable deployment "faster" than the private sector market or that the programs will achieve sustainable scale in California. The wrong utility program could easily slow down or hinder the market with barriers that currently do not exist in a business as usual scenario.

The directive of SB 350 clearly states that there is a role for utilities in accelerating transportation electrification. However, the need for acceleration and scale does not in and of itself represent a classic market failure that requires full government intervention, publicly-funded investment or monopoly control of the EV charging market by utilities. In a recent article published in Public Utilities Fortnightly former Commissioner Nancy Ryan and Lucy McKenzie point out that EV charging networks are different from the "poles and wires" service provided by monopoly utilities, and may be better operated by third parties: "To the extent that there are economies of scale to installation, billing, marketing and other aspects of providing charging services, non-utility enterprises may actually be better able to capture them since many operate on a regional, national or multi-national scale." <sup>1</sup>

Furthermore, at the April 29 workshop, the Air Resources Board clearly communicated that California is on track to meet its ZEV goal. The Commission, together with the CEC and ARB, should collaborate to ensure that policy decision-making is based on up-to-date data and reasonable modeling assumptions. The Commission should take care to ensure that decisions

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<sup>1</sup> Ryan & McKenzie, "Utilities' Role in Transport Electrification: Promoting Competition, Balancing Risks," Public Utilities Fortnightly (March 2016) p. 34.

regarding the timing and scale of utility transportation electrification projects are based on robust metrics and data.

TURN stated “Any utility transportation electrification programs that are funded by ratepayers should focus on leveraging core utility competencies and should be sized at a scale that minimizes the risk of stranded assets in the face of emerging technologies.”<sup>2</sup> This is a very important point. The Commission should continue to carefully review utility proposals to ensure that there is a long term beneficial impact to ratepayers. Utility proposals should be phased in order to enable ongoing program adjustment to changes in demand, technologies, and statewide policy priorities. The Commission should use ratepayer funding strategically – to leverage private sector investment (i.e. through light-duty EV make ready programs) and fill gaps (e.g. disadvantaged communities and multi-unit housing) where private investment may be lagging or impeded by other barriers.

## **II. NRDC’s claim that EV charging pricing should be regulated is unfounded and contrary to California law.**

NRDC states that the Commission should “use its authority” to address alleged “non-transparent pricing in excess of petroleum fuels.”<sup>3</sup> NRDC’s recommendation is vague, but seems to suggest that the Commission embark on some form of price regulation of EV charging. ChargePoint disagrees both with NRDC’s recommendation and with the flawed reasoning that underlies it.

NRDC’s unsupported assertion that the cost of electricity under many utility rates and the rates charged at “most public charging stations” are “more expensive than gasoline” is incorrect. In fact, there is a broad consensus that it is less expensive to fuel an EV than a conventional

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<sup>2</sup> TURN p. 1

<sup>3</sup> NRDC p. 6

vehicle. NRDC may be confused by charging prices that incorporate time-of-use factors or that reflect other services.

The Commission does not regulate charges for public EV charging. A regulated cap on the price of a charging service is not legal in California under AB 631 and Section 216 of the Public Utilities Code, and there is no evidence that there needs to be one. NRDC criticizes EV tariffs and public charging rates with being more “complicated” than the cost of gasoline at the pump. This criticism reveals a lack of understanding of the complexities of pricing EV charging at various locations. There are numerous business models for EV charging operating in California. If there are high prices for the charging service at certain hours or after longer dwell times, this pricing is likely to promote turnover or to discourage use during certain hours per electricity rate signals to the site host or station owner.

In general, the station owner or site host sets the prices to drivers for the charging service at their charging stations. For some, especially employers at workplaces, this means that drivers have access to free charging. Currently, close to 70% of public charging in the Bay Area is free. For others, pricing terms are designed to include parking costs or to adjust over time in order to encourage shared use of the charging station. Tailoring pricing to meet the needs of different sites and drivers doesn’t change the fact that overall, costs for electricity are still substantially less than the costs of gasoline.

Different site hosts should have the ability to charge different prices for charging so long as the pricing is clearly displayed on the station for the driver to understand. Flexibility in setting pricing allows sites to optimize use of their stations for the unique group of drivers visiting that site. For example, retailers may want to have low rates for the first few hours that a customer is in a lot and shopping in their store, and then change the pricing to encourage the customer to

move their vehicle and allow others to use that asset. And busy parking garages may wish to impute the value of parking in the price for charging.. ChargePoint believes that the best entity to determine the price is the site host, who interacts with drivers on a daily basis, not a utility.

### **III. Managed/controlled charging could provide a storage asset.**

The Alliance of Automobile Manufacturers et al. state that controlled charging should be leveraged as storage.<sup>4</sup> This is a recommendation that ChargePoint and other parties have previously supported in comments filed in Rulemaking 15-03-011. If the Commission does not approve controlled charging as a storage resource under R.15-03-011, then utilities should be authorized to pursue pilot projects that leverage smart charger capabilities to test the grid benefits of controlled charging. At the same time, the Commission should take care to ensure that any utility involvement in piloting the use of EVs and EV charging as a storage or demand response resource are carefully structured to support competitive markets and third party aggregation of these resources.

### **IV. The Commission should avoid prematurely endorsing any VGI standards.**

KnGrid's comments propose that the Commission adopt ISO/IEC 15118 as the "global standard" for VGI communications. BMW disagrees, suggesting that "at this time we do not believe that it is appropriate for the Commission to endorse this standard, or any other communication standard, as the exclusive way for conducting VGI communication." While ChargePoint agrees with KnGrid that ISO/IEC 15118 is currently the most advanced VGI standard, BMW is correct in stating that it is premature to endorse a single standard. eV2g commented that Rule 21 should be expanded to "allow testing to any of UL 1741, SAE J3072, or IEEE 1547.1" which they claim will enable vehicle-to-grid (V2G) and bidirectional charging. Again ChargePoint thinks that it is premature to endorse any V2G standards.

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<sup>4</sup> The Alliance of Automobile Manufacturers et al p. 5

**V. Third parties should be allowed to coordinate education, marketing, and outreach.**

Green Power Institute again asks the Commission to open a separate track on third party education and outreach issues.<sup>5</sup> Separately, City of Lancaster and Sonoma Clean Power request the enhancement of the Straw Proposal to include opportunities for CCA coordination potentially in the forming of education, marketing and outreach, as they currently are able to do for energy efficiency programs. Regardless of whether or not the Commission decides to address these issues in this proceeding or separately, ChargePoint agrees that education, marketing and outreach are important elements to making these utility programs successful. Giving third parties the opportunity to work directly with drivers, cities, and other stakeholders to provide education on EV charging and other transportation electrification issues will lead to more successful utility programs by expanding the breadth of outreach.

**VI. Utility programs must support competition.**

Several parties state that utility programs should foster competition. The CCA parties including City of Lancaster and Sonoma Clean Power emphasize the need to include CCA coordination in the Straw Proposal. Future CCAs are expected to begin later this year, which will also require more competition and allow for increased customer choice. Other parties discussed market competition, including the South Coast Air Quality Management District (SCAQMD) which states that “PUC policies should allow and encourage utilities' involvement while maintaining market competitiveness. IOUs should have an important role, but competition and fair opportunity for all parties (IOUs, other private stakeholders, public utilities etc) can help to spur benefit innovation and scale.”<sup>6</sup> SDG&E notes that “well designed utility transportation electrification programs can enable market growth by promoting competitive markets, and

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<sup>5</sup> GPI p. 5

<sup>6</sup> SCAQMD p. 6

maximizing the use of market-based solutions.”<sup>7</sup> ChargePoint strongly agrees that protecting competition must be a key consideration in developing and reviewing proposals for utility involvement in advancing transportation electrification.

**VII. Electricity rate reform is needed, especially to support medium and heavy duty vehicle charging.**

Several parties discuss the need to consider rates that support EV charging.<sup>8</sup> EDF suggests adding rate design to the straw proposal as a key competent to achieving ratepayer benefits.<sup>9</sup> Earth Justice, Sierra Club and Center for Community Action encourage the Commission to focus on barriers to freight electrification including rate structures.

Other parties note the unique challenges that rate structures present to medium and heavy duty vehicle charging. San Diego Airport Parking Company comments that "EV charging is a complex part of the infrastructure due to the power output, and plugging in as needed should not be a barrier."<sup>10</sup> SDG&E states: “Especially for commercial customers, these approaches must be sensitive to and compatible with the customer and their fleet operations.”<sup>11</sup>

Consumer Federation of California states that it does not support "reduction, waiver, or elimination of demand charges" because when one group gets a waiver, the remaining customers have to pick up the tab and pay more. ChargePoint would caution against adopting this conclusion, given the benefits to ratepayers of increased EV charging if the load is managed effectively, including potentially downward pressure on rates for all ratepayers. It is also important to take into account the environmental benefits of replacing diesel trucks and buses with clean electric trucks and buses. We agree with other parties that demand charges should be

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<sup>7</sup> SDG&E p. 2

<sup>8</sup> EDF, Honda, GM, Alliance for Automakers, Sierra Club et al, San Diego Airport Parking Company, TURN, NRDC

<sup>9</sup> EDF p. 3

<sup>10</sup> San Diego Airport Parking Company, p. 4

<sup>11</sup> SDG&E pp. 4-5



reformed for medium and heavy duty charging in order to address this obstacle to transportation electrification of medium and heavy duty vehicles.

**VIII. Make ready could be “fast tracked” with Commission guidelines.**

Southern California Edison Company (“SCE”) outlined a proposal to allow fast-tracking Commission consideration of certain applications including make ready and marketing, education and outreach. Sierra Club, Earth Justice, and the Center for Community Action also noted the need to expand make ready investments in their comments.<sup>12</sup> SCE proposes that the Commission establish a framework for pre-approval of programs that would then allow utilities to use the Advice Letter process for programs that meet this framework. PG&E also asked the Commission to identify activities for which the utilities can receive “up-front, advance approval.”<sup>13</sup> ChargePoint generally supports this concept but would amend SCE’s suggestion that “any measurement and performance accountability measures would be used specifically for the purpose of helping inform utilities in designing and refining subsequent TE programs.”<sup>14</sup> The guidelines for fast-tracked projects should not exempt the utility from its obligation to meet other accountability measures under Public Utility Code sections 740.12 and 740.3, including ensuring customer choice, competition, and benefits to ratepayers.

**IX. In addition to medium and heavy duty vehicles, utilities should support single family home charging.**

The Alliance of Automobile Manufacturers *et al* suggest that utilities should deploy chargers in single family homes.<sup>15</sup> The Assigned Commissioner stated in the April 29 workshop

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<sup>12</sup> Sierra Club et al, p. 4

<sup>13</sup> PG&E, p. 4

<sup>14</sup> SCE p. 16

<sup>15</sup> The Alliance of Automobile Manufacturers et al, p. 4

that single family home charging should be considered. BMW also notes that the utilities should continue to pilot submetering, which will be the subject of the second phase of the PEV Submetering Pilot later this summer. Utilities could also support single family home charging by providing rebates or on-bill financing for networked smart home chargers, creating simpler EV TOU rates, and pursuing EM&O for smart charging practices that provide grid benefits. Residential charging can have a positive effect on utilities' load curve since most residential charging currently starts during peak times. Allowing utilities to support L2 residential smart charging now will enable utilities to pursue load management programs in the future when EV penetration reaches higher thresholds, adding significant value to ratepayers.

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Respectfully submitted,

By: \_\_\_\_\_/s/\_\_\_\_\_

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